



Minutes City Council Issue Review Session September 17, 2009

Minutes of the Tempe City Council Issue Review Session held on Thursday, September 17, 2009, 6:00 p.m., in the City Council Chambers, Tempe City Hall, and 31 E. Fifth Street, Tempe, Arizona.

COUNCIL PRESENT:

Mayor Hugh Hallman
Councilmember P. Ben Arredondo
Councilmember Joel Navarro
Councilmember Corey D. Woods

Vice Mayor Shana Ellis
Councilmember Mark W. Mitchell
Councilmember Onnie Shekerjian

Mayor Hallman called the meeting to order at 6:00 p.m.

Call to the Audience

None.

Procurement Process

DISCUSSION – Presenter: Michael Greene, Central Svcs Admin

Michael Greene stated that the purpose of this presentation was to explain how staff arrives at recommended contract term lengths and the administration of the contract renewal process. A majority of contracts span five years – typically broken down by recommending a one year contract with four one year options to renew. There are exceptions to that rule, depending upon market competitiveness, maturity and volatility. The cost of contract administration also dictates the staff recommendation regarding contract length. Approximately 10% of contracts do not get renewed for various reasons.

Councilmember Shekerjian commended staff for using contract performance reports and asked if these measurements are also being used in Engineering. Mr. Greene replied that Engineering is looking at incorporating this tool into their business practice as well. Glen Kephart added that construction contracts are evaluated throughout the year, with the potential of interfacing with multiple contract managers during the term of these contracts, however this value added performance measure is being considered by engineering staff. Councilmember Shekerjian asked Mr. Kephart for a copy of the final performance measurement instrument, to eventually be implemented by Engineering.

Procurement staff oversees a database of contracts. Mr. Greene stated that once a bid has been awarded, staff strives to meet with contractors and the respective contract administrator(s) to articulate contract performance measures and expectations.

Councilmember Shekerjian asked if there are instances whereby staff renegotiates lower prices when contracts are eligible for renewal. Mr. Greene stated that price indexes can have the net effect of lowering the renewal price of contracts and there have been instances when contractors are open to renegotiating contract renewal amounts. Councilmember Shekerjian encouraged procurement staff to consider the tough economy when contracts are scheduled to be renewed so that the value for dollar can be maximized.

Councilmember Navarro asked if contract performance measurements differ, depending upon the product and/or service in question. Mr. Greene stated that the performance measurement matrix is fairly standardized; however that matrix can be expanded and tailored to meet certain expectations. Mayor Hallman stated that including these performance measures in the Request for Proposals (RFP's) would result in accountability. Charlie Meyer stated that increasing performance measures would need to include inspection criteria and acceptable timeframes for performance/inspection duties/outcomes.

Councilmember Arredondo commended staff on the thoroughness of Tempe's procurement process. Councilmember Shekerjian agreed and noted the transparency in operations is very important.

CONSENSUS

Presentation only.

Formal Council Agenda Items

None.

Future Agenda Items

None.

Mayor's Announcements/Manager's Announcements

Charlie Meyer gave an update on the Suckerpunch Sally's (SPS) liquor license location at the northeast corner of University Drive and Mill Avenue. At the liquor license public hearing, the landlord stated that the proposed business was a chain. The business location also has signage stating that the business is not a chain. SPS does have retail establishments in various parts of the country. This is a motorcycle based dealer that also retails apparel/merchandise. The proposed restaurant is the first of its kind for this business operation.

Mayor Hallman announced that there are pamphlets available to educate citizens regarding flu symptoms.

Meeting adjourned at 6:55 p.m.

Jan Hort
City Clerk